

§ 934.8

(2) Pursuant to the requirement of section 12(a) of the Act (12 U.S.C. 1432(a)), a Bank must obtain prior approval of the Board before purchasing or erecting, or leasing for a term of more than 10 years, a building to house the Bank.

(3) A Bank's board of directors may not delegate the authority to approve the Bank's annual budgets, or any subsequent amendments thereto, to Bank officers or other Bank employees.

(4) A Bank's annual budgets shall be prepared based upon an interest rate scenario as determined by the Bank.

(5) A Bank may not exceed its total annual operating expense budget or its total annual capital expenditures budget without prior approval by the Bank's board of directors of an amendment to such budget.

(b) *Budget reports.* Each Bank shall submit to the Board, by January 31 of each year, in a format and as further prescribed by the Board, such Bank budgets and other financial information as the Board shall require, including the following:

- (1) Balance sheet projections;
- (2) Income statement projections, including operating expense budget data and staffing levels;
- (3) Capital expenditures budget data;
- (4) Management discussion of expected financial performance;
- (5) Strategic or business plan;
- (6) Interest rate assumptions; and
- (7) A copy of the FHLBank's board of directors resolution adopting the FHLBank's annual operating expense budget and capital expenditures budget.

(c) *Report on amendments to total annual budgets.* A Bank shall submit promptly to the Board a copy of the Bank's board of directors resolution adopting any amendment increasing a Bank's total annual operating expense budget or total annual capital expenditures budget above originally approved budget limits.

(d) *Mid-year reforecasting report.* Each Bank shall submit to the Board, by July 31 of each year, in a format and as further prescribed by the Board, a report containing a balance sheet and income statement setting forth reforecasted projections for the year relative to the budget projections for that year

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as originally approved or amended, including a management discussion explaining any significant changes in the reforecasted projections from the budget projections as originally approved or amended.

(e) *Annual actual performance results report.* Each Bank shall submit to the Board, by January 31 of each year, in a format and as further prescribed by the Board, a report containing a balance sheet and income statement setting forth the actual performance results for the prior year relative to the budget projections for that year as originally approved or amended, including a management discussion explaining any significant changes in the actual performance results from the budget projections as originally approved or amended.

[61 FR 55880, Oct. 30, 1996. Redesignated at 62 FR 26922, May 16, 1997]

§ 934.8 Surety bonds.

Each Bank shall maintain surety bonds covering all officers, employees, attorneys, or agents having control over, or access to, monies or securities owned by the Bank or in its possession.

[49 FR 34198, Aug. 29, 1984, as amended at 54 FR 6113, Feb. 7, 1989. Redesignated at 54 FR 36759, Sept. 5, 1989, and further redesignated at 62 FR 26922, May 16, 1997]

§ 934.9 Insurance.

Each bank shall maintain insurance required by law, and may maintain any additional insurance its board of directors considers necessary for its protection.

[43 FR 46841, Oct. 11, 1978. Redesignated at 54 FR 36759, Sept. 5, 1989, and further redesignated at 62 FR 26922, May 16, 1997]

§ 934.10 Safe-keeping accounts.

Securities owned by each Bank shall be held at any Federal Reserve Bank or, with prior Board approval, at any depository commercial bank that is a member of a Federal Reserve Bank.

[45 FR 31046, May 12, 1980. Redesignated at 54 FR 36759, Sept. 5, 1989, and further redesignated at 62 FR 26922, May 16, 1997]